

Unrest and uncertainty

Economic and political problems are spreading doubt and insecurity across the world. Look out for the risk hotspots

01 PERU

State news agency Andina reported that prime minister Oscar Valdes has said work can restart at the stalled Minas Conga copper and gold project as soon as the company, Minera Yanacocha, agrees to implement recommendations from the government. President Ollanta Humala appeared on live TV on 20 April, stating that if Yanacocha agreed to certain conditions, including ensuring local water supply and finding alternatives to draining two nearby lakes, and committed to provide 10,000 new jobs for the region, then the stalled project could go ahead.

03 BAHRAIN

The controversial Bahrain Formula 1 Grand Prix took place at the end of April, despite serious anti-government protests. #F1Disgrace trended on Twitter as the race went ahead in spite of major unrest in the small island state. The event was cancelled last year when protests were carried out by the island's Shia majority against the western-backed Sunni al-Khalifa monarchy.

02 BOLIVIA

The trend for resource nationalism by South American left-wing governments was further highlighted in May when the Bolivian military seized the assets of Spanish energy group Red Elctra. Transportadora de Electricidad, which runs most of the country's power grid, is 99.94% owned by Red Elctra. Bolivia's first indigenous president, Evo Morales, has moved to put energy, water and telecommunications under state control.

04 GUINEA-BISSAU

The EU imposed sanctions on six leaders of a coup in the west African country of Guinea-Bissau. Military leaders and a group of mostly opposition political parties declared the formation of a Transitional National Council on 12 April. The sanctions include a freeze on assets and a travel ban on the leaders, who seized power from interim president Raimundo Pereira and former prime minister Carlos Gomes Junior.

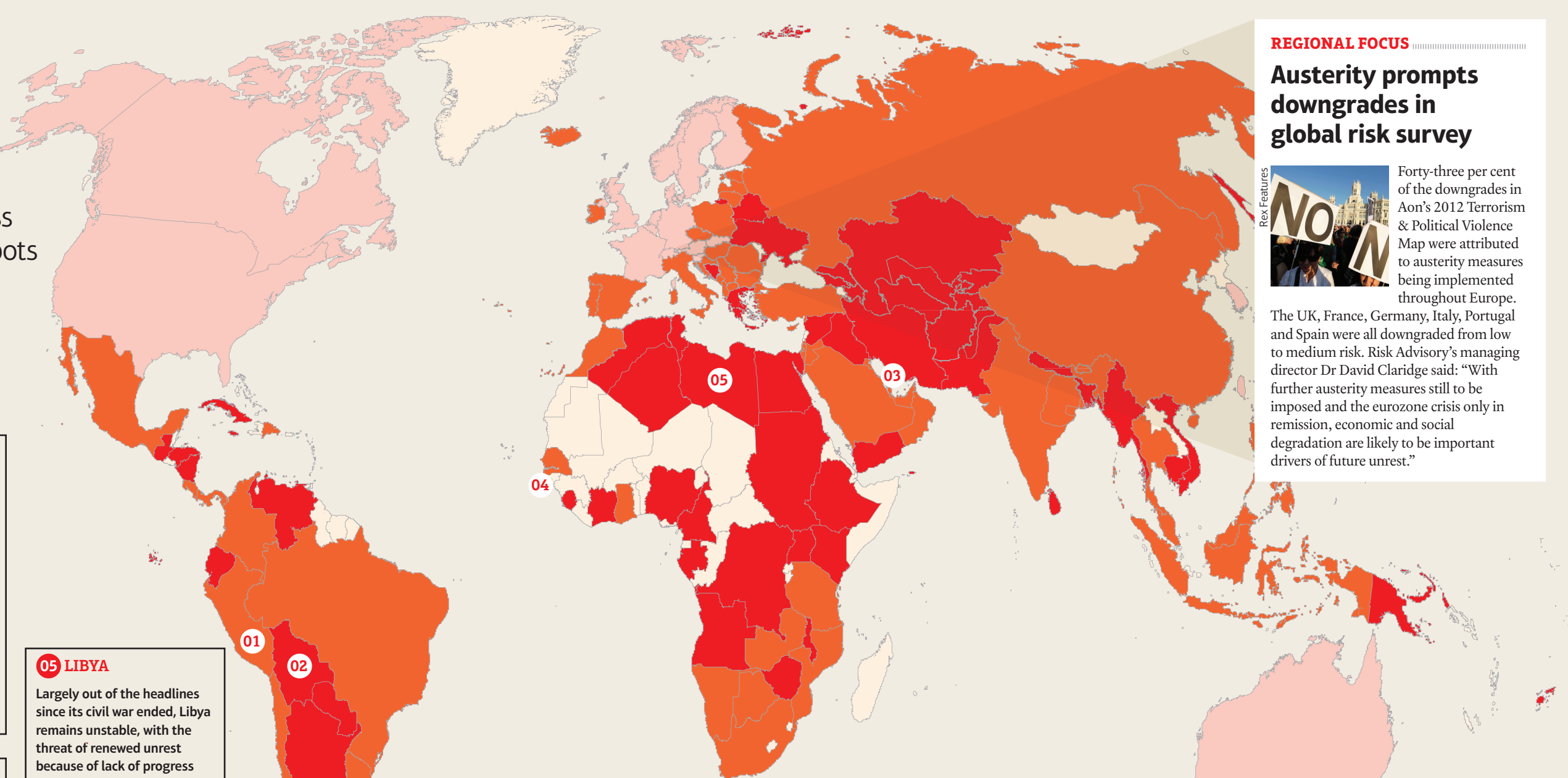
05 LIBYA

Largely out of the headlines since its civil war ended, Libya remains unstable, with the threat of renewed unrest because of lack of progress and the threatened breakaway of the oil-rich eastern region, according to analysts. Popular discontent in Libya is on the rise as the population becomes increasingly frustrated with the lack of economic and social progress since the revolution. After the civil war, which began with protests in Benghazi in February last year, hopes were boosted about new investment opportunities in the country. But, today, Libya is far from stable.

KEY

- High risk
- Moderate risk
- Low risk
- Not rated

Source: D&B Finland



REGIONAL FOCUS

Austerity prompts downgrades in global risk survey



Forty-three per cent of the downgrades in Aon's 2012 Terrorism & Political Violence Map were attributed to austerity measures being implemented throughout Europe. The UK, France, Germany, Italy, Portugal and Spain were all downgraded from low to medium risk. Risk Advisory's managing director Dr David Claridge said: "With further austerity measures still to be imposed and the eurozone crisis only in remission, economic and social degradation are likely to be important drivers of future unrest."

TOP 10 THREAT AREAS FOR KIDNAP AND RANSOM IN 2012

- 1 Afghanistan.** Around 950 kidnappings for ransom per year, but foreign exposure is currently limited due to travel restrictions.
- 2 Somalia.** The offshore threat is well established; 24 vessels were seized in 2011 with over 400 hostages taken (and 265 still held captive).
- 3 Iraq.** Official figures unavailable for 2011, but red24's anecdotal evidence suggests the risks remain high, with criminals and political groups carrying out kidnappings.
- 4 Nigeria.** Well in excess of 1,000 kidnappings for ransom a year.
- 5 Pakistan.** Official statistics reveal over 15,000 abductions a year, but only 10%-20% are for ransom.
- 6 Yemen.** Over 200 foreign nationals kidnapped over the past 20 years.
- 7 Venezuela.** Official statistics show over 1,000 kidnappings in the first 10 months of 2011. It has the world's highest per capita rates of abduction.
- 8 Mexico.** Official statistics for 2011 are likely to reveal over 2,000 kidnappings for ransom, but the actual number is far higher. Mexican NGO Consejo para la Ley y los Derechos Humanos (CLDH) says its statistics reveal some 17,889 kidnaps.
- 9 Haiti.** Significantly down on 2006, incidents now in the low hundreds. Nevertheless, per capita abduction rates are second only to Venezuela.
- 10 Colombia.** Despite a significant reduction in incidents over the past 10 years, the authorities still recorded 258 kidnappings in 2011.